



June 24, 2011

To: Executive Board

Subject: **2011 Legislative Summary**

Recommendation

Receive and file the June 2011 Legislative Summary. Adopt a support position on H.R. 1380.

Analysis

A summary of state and federal legislation and its status is attached. Board members should note that staff recommends a **support position on H.R.1380 (Sullivan)**.

H.R. 1380: The New Alternative Transportation to Give Americans Solutions Act of 2011 is designed to promote a switchover from petroleum-based fuels to natural gas for transportation. The bill would provide a variety of tax breaks to transit agencies, trucking companies, vehicle owners and vehicle manufacturers to transition from gasoline and diesel to natural gas and provide approximately \$5 billion in subsidies over a five year period. Transit agency tax breaks would include amending the Internal Revenue Code to allow an excise tax credit through 2016 for alternative fuels and fuel mixtures involving compressed or liquefied natural gas. The extension of the alternative fuels excise tax credit until 2016 would provide Foothill Transit with an ongoing operating funding source for the next five years.

On May 16, Governor Brown released his May Revision to the 2011-12 State Budget and proposes a General Fund level of spending not seen since 1972-73. The Governor reported that revenues were up by more than \$6.6 billion, including \$2.8 billion for the current year and \$3.5 billion for the budget year which begins on July 1, 2011. The rise in revenues will be used to reduce the amount of tax extensions needed, and increase funding for K-12 education, public safety and health and human services. Overall, the May Revision does not make any significant changes to funding for transportation or public transit.

The Constitutional deadline to pass a budget is June 15. A new law passed by the voters states that the California Legislature will not be paid their salaries until a budget is passed, so it does create incentive to make this happen as quickly as possible. The Governor is proposing to use cash on hand to keep transportation projects funded until a spring bond sale.

Foothill Transit Executive Board Chair Carol Herrera, Deputy Executive Director Kevin McDonald, Director of Government Relations David Reyno and I will be in Sacramento on June 15 to again thank our delegation for their support of transit funding and protection of the gas tax swap from raids to balance the general fund and ask for this support to continue until a budget is finally signed into law.

On the federal front, Senator Barbara Boxer (D-CA), Chairman of the Environment and Public Works Committee, Senator James Inhofe (R-OK), Ranking Member of the Committee, Senator Max Baucus (D-MT), Chairman of the Transportation and Infrastructure Subcommittee, and Senator David Vitter (R-LA), Ranking Member of the Subcommittee, issued a joint statement

Executive Board Meeting – 6/24/11
2011 Legislative Summary
Page 2

regarding draft legislation to reauthorize the nation's surface transportation programs, entitled Moving Ahead for Progress in the 21st Century (MAP-21).

Senators Boxer, Inhofe, Baucus and Vitter said: "We are pleased to announce the great progress we have made on a new transportation authorization bill. Throughout the 25 transportation hearings convened by this Committee, including an unprecedented joint appearance by Tom Donohue of the U.S. Chamber of Commerce and Richard Trumka of the AFL-CIO, we heard that there is tremendous support from businesses, workers, and the American people for a transportation bill that leverages our federal dollars while maintaining a responsible fiscal path. It is no secret that the four of us represent very different political views, but we have found common ground in the belief that building highways, bridges, and transportation systems is an important responsibility of the federal government, in cooperation with state and local governments and the private sector.

We are working to maximize states' ability to plan long term and make wise infrastructure investments. Here are some of the highlights of our legislation:

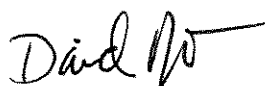
- Funds programs at current levels to maintain and modernize our critical transportation infrastructure;
- Eliminates earmarks;
- Consolidates numerous programs to focus resources on key national goals and reduce duplicative and wasteful programs;
- Consolidates numerous programs into a more focused freight program that will improve the movement of goods;
- Creates a new section called America Fast Forward, which strengthens the Transportation Infrastructure Finance and Innovation Act (TIFIA) program to stretch federal dollars further than they have been stretched before; and
- Expedites project delivery without sacrificing the environment or the rights of people to be heard.

We know there is still much work to do, but we believe this is a very important step. In cooperation with the Finance Committee, we are exploring a wide range of options to support and sustain the Highway Trust Fund. Our goal is to attain the optimum achievable authorization length depending on the resources available. It is critical that this be done in a way that does not increase the deficit and can achieve bipartisan support."

Financial Impact

H.R. 1380 could mean approximately \$3 million in annual operating funding for Foothill Transit until 2016.

Sincerely,



David Reyno
Director of Government Relations



Doran J. Barnes
Executive Director

2011 Legislation Summary

Current as of 6/14/2011

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 147	Dickinson	Existing law under the Subdivision Map Act authorizes cities and counties to charge developer fees to defray the costs of infrastructure improvements to support development projects. Development impact fees levied under the Subdivision Map Act are charged as a condition of approval of a final map or building permit. Current law limits the use of these fees for the mitigation of traffic impacts to bridges and major thoroughfares. AB 147 would authorize a local agency to also use this fee for transit, bicycle, and pedestrian facilities.	This bill could mean more local money provided to Foothill Transit for facility construction.	Senate Committee on Governance and Finance	CTA - Support	Support Position Adopted 3/25/2011
AB 345	Atkins	Would require the Department of Transportation (Caltrans) to ensure that any committee or formal group of the California Traffic Control Devices (CTCDC) includes representation from all users of the road, including public transit, thereby improving the implementation of complete streets policies.	This bill will make certain that the interests of state public transit agencies including Foothill Transit are represented on the CTCDC.	Senate Committee on Transportation and Housing	CTA - Support	Support Position Adopted 5/27/2011
AB 485	Ma	Would provide an optional financing mechanism to allow transit agencies greater incentives and opportunities to explore transit-oriented development (TOD) options with local governments. Furthermore, if a city or county wishes to pursue a TOD project with a local transit agency within an existing "transit village development district," they may pursue an agreement setting forth the conditions by which bonds could be issued to develop and make improvements to a specific transit station.	This bill would provide Foothill Transit greater opportunities to work with our member cities and the County to pursue transit oriented development partnerships.	Senate Committee on Governance and Finance	CTA - Support	Support Position Adopted 4/27/2011
AB 650	Blumenfield	This bill would establish the Blue Ribbon Task Force on Public Transportation for the 21st Century and would require the task force to be comprised of 12 specified members appointed by the Senate Committee on Rules and the Speaker of the Assembly by March 31, 2012. The bill would require the task force to prepare a written report that contains specified findings and recommendations relating to the current state of California's transit system, the estimated cost of creating the needed system over various terms, and potential sources of funding to sustain the transit system's needs, and to submit the report by March 31, 2013, to the Governor and other key legislative bodies.	We understand that members of the environmental community will have a role on the Task Force which brings an important voice for transit into the mix who has not been actively involved previously.	Senate Committee on Transportation and Housing	CTA – Support	Support Position Adopted 3/25/2011
SB 582	Emmerson	Existing law requires transportation planning agencies to undertake various transportation planning activities, including preparation of a regional transportation plan and also requires transportation planning agencies that are designated under federal law as metropolitan planning organizations (MPO's) to include a sustainable communities strategy as part of the regional transportation plan for their region. SB 582, beginning on January 1, 2013, would authorize a metropolitan planning organization, in partnership with the local air quality management district, to adopt a commute benefit ordinance that requires covered employers operating within the common jurisdiction of the organization and district with 20 or more covered employees to offer those employees certain commute benefits.	Additional commuter benefits could mean more potential riders on Foothill Transit's system.	Assembly Committee on Transportation	CTA – Support	Support Position Adopted 3/25/2011

2011 Legislation Summary

Current as of 6/14/2011

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
H.R. 1380	Sullivan	The New Alternative Transportation to Give Americans Solutions Act of 2011 is designed to promote a switchover from petroleum-based fuels to natural gas for transportation. The bill would provide a variety of tax breaks to transit agencies, trucking companies, vehicle owners and vehicle manufacturers to transition from gasoline and diesel to natural gas and provide approximately \$5 billion in subsidies over a five year period. Transit agency tax breaks would include amending the Internal Revenue Code to allow an excise tax credit through 2016 for alternative fuels and fuel mixtures involving compressed or liquefied natural gas.	The extension of the alternative fuels excise tax credit until 2016 would provide Foothill Transit with an ongoing operating funding source for the next five years.	House Committee on Energy and Commerce	Clean Energy	Support